

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Unit-----					
	SPRF	PERF -State	PERF-Municipal	ECRF	JRS	PARF	LRS
Valuation Date: July 1, 2004							
Actuarial value of assets	\$ 311,707	*	*	*	*	*	*
Actuarial accrued liability (AAL)	378,770	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(67,063)	*	*	*	*	*	*
Funded ratio	82%	*	*	*	*	*	*
Covered payroll	53,095	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-126%	*	*	*	*	*	*
Valuation Date: July 1, 2003							
Actuarial value of assets	\$ 313,123	\$ 2,078,952	\$ 2,478,161	\$ 37,286	\$ 126,151	\$ 12,758	\$ 4,199
Actuarial accrued liability (AAL)	360,502	1,860,101	2,437,632	52,006	206,846	15,685	4,947
Excess of assets over (unfunded) AAL	(47,379)	218,851	40,529	(14,720)	(80,695)	(2,927)	(748)
Funded ratio	87%	112%	102%	72%	61%	81%	85%
Covered payroll	51,204	1,491,661	2,460,569	11,944	25,400	13,158	**
Excess (unfunded) AAL as a percentage of covered payroll	-93%	15%	2%	-123%	-318%	-22%	**
Valuation Date: July 1, 2002							
Actuarial value of assets	\$ 304,773	\$ 2,061,790	\$ 2,445,113	\$ 37,360	\$ 121,155	\$ 11,957	\$ 4,446
Actuarial accrued liability (AAL)	349,772	2,010,178	2,666,590	55,884	188,434	22,386	5,503
Excess of assets over (unfunded) AAL	(44,999)	51,612	(221,477)	(18,524)	(67,279)	(10,429)	(1,057)
Funded ratio	87%	103%	92%	67%	64%	53%	81%
Covered payroll	50,895	1,475,076	2,350,458	12,654	25,805	14,437	**
Excess (unfunded) AAL as a percentage of covered payroll	-88%	3%	-9%	-146%	-261%	-72%	**
Valuation Date: July 1, 2001							
Actuarial value of assets	\$ 307,072	\$ 2,063,627	\$ 2,484,339	\$ 36,921	\$ 115,040	\$ 11,073	\$ 4,665
Actuarial accrued liability (AAL)	338,867	1,896,506	2,249,835	52,024	188,610	20,418	5,508
Excess of assets over (unfunded) AAL	(31,795)	167,121	234,504	(15,103)	(73,570)	(9,345)	(843)
Funded ratio	91%	109%	110%	71%	61%	54%	85%
Covered payroll	51,395	1,429,768	2,157,252	12,486	29,748	13,636	**
Excess (unfunded) AAL as a percentage of covered payroll	-62%	12%	11%	-121%	-247%	-69%	**
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees)							
* Information not available							
** The benefit formula is determined based on service rather than compensation. The unfunded liability is expressed per active participant and there are 55 active participants. The unfunded liability per active participant is \$13,604							

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 3,860,500	\$ 3,860,500	\$ 4,323,867	\$ 463,367
Sales	2,421,600	2,421,600	2,246,152	(175,448)
Fuels	3,469	3,469	-	(3,469)
Gaming	-	-	84,847	84,847
Inheritance	120,000	120,000	139,985	19,985
Alcohol and tobacco	332,400	332,400	297,876	(34,524)
Insurance	177,100	177,100	178,303	1,203
Other	17	17	159,953	159,936
Total taxes	<u>6,915,086</u>	<u>6,915,086</u>	<u>7,430,983</u>	<u>515,897</u>
Current service charges	142,337	142,337	193,138	50,801
Investment income	30,000	30,000	40,703	10,703
Sales/rents	7,078	7,078	1,252	(5,826)
Grants	70,000	70,000	116,619	46,619
Other	62,114	62,114	105,811	43,697
Total revenues	<u>7,226,615</u>	<u>7,226,615</u>	<u>7,888,506</u>	<u>661,891</u>
Expenditures:				
Current:				
General government	631,460	961,017	931,399	29,618
Public safety	648,101	650,593	630,262	20,331
Health	117,469	106,093	104,807	1,286
Welfare	2,081,374	384,340	371,681	12,659
Conservation, culture and development	98,816	116,596	59,243	57,353
Education	5,706,407	5,539,860	5,522,341	17,519
Transportation	465	5,525	3,515	2,010
Other	10,723	-	-	-
Total expenditures	<u>9,294,815</u>	<u>7,764,024</u>	<u>7,623,248</u>	<u>140,776</u>
Excess of revenues over (under) expenditures	(2,068,200)	(537,409)	265,258	(802,667)
Other financing sources (uses):				
Total other financing sources (uses)	<u>3,247</u>	<u>3,247</u>	<u>(422,397)</u>	<u>(425,644)</u>
Net change in fund balances	<u>\$ (2,064,953)</u>	<u>\$ (534,162)</u>	<u>\$ (157,139)</u>	<u>\$ 377,023</u>
Fund balances July 1, as restated			<u>1,227,090</u>	
Fund balances June 30			<u><u>\$ 1,069,951</u></u>	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
458,760	458,760	483,373	24,613	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
458,760	458,760	483,373	24,613	-	-	-	-
12,677	12,677	18,032	5,355	-	-	-	-
-	-	-	-	-	-	-	-
15	15	13	(2)	-	-	-	-
13,173	13,173	18,139	4,966	2,607,705	2,607,705	3,239,993	632,288
58,145	58,145	63,820	5,675	-	-	27	27
542,770	542,770	583,377	40,607	2,607,705	2,607,705	3,240,020	632,315
6,788	284,287	284,287	-	-	67	67	-
184,285	192,960	192,960	-	-	-	-	-
-	130	130	-	-	-	-	-
-	-	-	-	-	4,638,221	4,627,542	10,679
-	-	-	-	-	-	-	-
259	250	250	-	-	-	-	-
-	2,696	2,696	-	-	-	-	-
-	-	-	-	-	-	-	-
191,332	480,323	480,323	-	-	4,638,288	4,627,609	10,679
351,438	62,447	103,054	(40,607)	2,607,705	(2,030,583)	(1,387,589)	(642,994)
(112,981)	(112,981)	(106,443)	6,538	1,296,778	1,296,778	1,323,522	26,744
\$ 238,457	\$ (50,534)	\$ (3,389)	\$ 47,145	\$ 3,904,483	\$ (733,805)	\$ (64,067)	\$ 669,738
		(5,263)				42,554	
		\$ (8,652)				\$ (21,513)	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Build Indiana Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	931	931	-	(931)
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	3,007	3,007	141	(2,866)
Total revenues	3,938	3,938	141	(3,797)
Expenditures:				
Current:				
General government	-	19,106	9,197	9,909
Public safety	-	2	-	2
Health	-	26	-	26
Welfare	-	-	-	-
Conservation, culture and development	-	4,698	1,748	2,950
Education	-	96	67	29
Transportation	-	466	332	134
Other	-	-	-	-
Total expenditures	-	24,394	11,344	13,050
Excess of revenues over (under) expenditures	3,938	(20,456)	(11,203)	(9,253)
Other financing sources (uses):				
Total other financing sources (uses)	145,748	145,748	14,052	(131,696)
Net change in fund balances	\$ 149,686	\$ 125,292	\$ 2,849	\$ (122,443)
Fund balances July 1, as restated			20,612	
Fund balances June 30			\$ 23,461	

State Highway Department				Property Tax Replacement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 73,486	\$ 73,486	\$ -	\$ (73,486)
42	42	14	(28)	1,881,946	1,881,946	2,321,710	439,764
53	53	1	(52)	-	-	-	-
-	-	-	-	-	-	8,524	8,524
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
95	95	15	(80)	1,955,432	1,955,432	2,330,234	374,802
12,068	12,068	14,250	2,182	-	-	-	-
59	59	29	(30)	-	-	-	-
589	589	1,870	1,281	-	-	-	-
654,734	654,734	831,557	176,823	-	-	-	-
120,883	120,883	75,226	(45,657)	-	-	-	-
788,428	788,428	922,947	134,519	1,955,432	1,955,432	2,330,234	374,802
-	-	-	-	-	1,981,014	1,981,014	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,107,610	1,415,106	1,399,301	15,805	-	-	-	-
-	-	-	-	-	-	-	-
1,107,610	1,415,106	1,399,301	15,805	-	1,981,014	1,981,014	-
(319,182)	(626,678)	(476,354)	(150,324)	1,955,432	(25,582)	349,220	(374,802)
451,206	451,206	475,115	23,909	(770,395)	(770,395)	(349,220)	421,175
\$ 132,024	\$ (175,472)	\$ (1,239)	\$ 174,233	\$ 1,185,037	\$ (795,977)	\$ -	\$ 795,977
		285,264				-	
		\$ 284,025				\$ -	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Tobacco Settlement Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	147,988	147,988	129,852	(18,136)
Investment income	194	194	1,140	946
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	32	32	12	(20)
Total revenues	148,214	148,214	131,004	(17,210)
Expenditures:				
Current:				
General government	-	25,148	24,381	767
Public safety	-	-	-	-
Health	-	35,016	35,016	-
Welfare	-	1,385	1,303	82
Conservation, culture and development	-	38	38	-
Education	-	-	-	-
Transportation	-	-	-	-
Other	-	-	-	-
Total expenditures	-	61,587	60,738	849
Excess of revenues over (under) expenditures	148,214	86,627	70,266	16,361
Other financing sources (uses):				
Total other financing sources (uses)	(35,115)	(35,115)	(107,976)	(72,861)
Net change in fund balances	\$ 113,099	\$ 51,512	\$ (37,710)	\$ (89,222)
Fund balances July 1, as restated			275,778	
Fund balances June 30			\$ 238,068	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	MOTOR VEHICLE HIGHWAY FUND	MEDICAID ASSISTANCE	BUILD INDIANA FUND	STATE HIGHWAY DEPARTMENT	PROPERTY TAX RELIEF FUND	TOBACCO SETTLEMENT FUND	Total
Net change in fund balances (budgetary basis)	\$ (157,139)	\$ (3,389)	\$ (64,067)	\$ 2,849	\$ (1,239)	\$ -	\$ (37,710)	\$ (260,695)
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:								
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	35,336	(5,962)	12,689	-	(19,893)	12,657	54	34,881
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	<u>7,290</u>	<u>6,407</u>	<u>-</u>	<u>1,277</u>	<u>(1,917)</u>	<u>(417,293)</u>	<u>351</u>	<u>(403,885)</u>
Net change in fund balances (GAAP basis)	<u>\$ (114,513)</u>	<u>\$ (2,944)</u>	<u>\$ (51,378)</u>	<u>\$ 4,126</u>	<u>\$ (23,049)</u>	<u>\$ (404,636)</u>	<u>\$ (37,305)</u>	<u>\$ (629,699)</u>

Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	Average Pavement Quality Index (PQI)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Interstate Roads (including Rest Areas and Weigh Stations)	87	87	89
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	82	83	84
Non-NHS Roads	79	80	81

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70). It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads. The ratings provided are based on data gathered during the summer (July and August) of the corresponding fiscal year. The data are evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Interstate Bridges	91.5%	91.1%	91.2%
NHS Bridges - Non-Interstate	91.2%	90.1%	91.2%
Non-NHS Bridges	88.4%	87.8%	88.1%

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69) and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 194,098	\$ 113,469	\$ 101,574	N/A	N/A
Actual	253,555	167,472	198,144	N/A	N/A
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	71,244	52,857	67,392	N/A	N/A
Actual	55	2,450	2,618	N/A	N/A
Non-NHS Roads					
Needed	185,437	196,063	185,909	N/A	N/A
Actual	414,964	390,020	311,757	N/A	N/A
Roads at State Institutions and Properties					
Needed	2,689	4,000	5,000	N/A	N/A
Actual	4,381	6,044	1,603	N/A	N/A
Total					
Needed	453,468	366,389	359,875	N/A	N/A
Actual	672,955	565,986	514,122	N/A	N/A
Bridges					
Interstate Bridges					
Needed	\$ 19,946	\$ 11,220	\$ 42,634	N/A	N/A
Actual	28,723	36,736	27,838	N/A	N/A
NHS Bridges - Non-Interstate					
Needed	26,411	25,618	35,384	N/A	N/A
Actual	7,766	12,324	11,265	N/A	N/A
Non-NHS Bridges					
Needed	34,929	44,659	41,116	N/A	N/A
Actual	73,356	60,314	74,388	N/A	N/A
Bridges at State Institutions and Properties					
Needed	926	-	-	N/A	N/A
Actual	702	-	-	N/A	N/A
Total					
Needed	82,212	81,497	119,134	N/A	N/A
Actual	110,547	109,374	113,491	N/A	N/A

N/A - Information is not available

